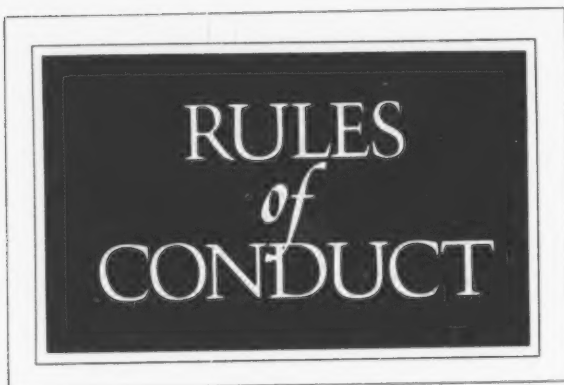


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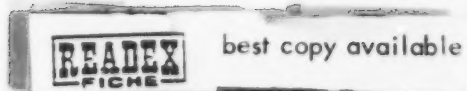
Internal Revenue Service



These Rules Supplement the Minimum Standards of Conduct
Department of the Treasury

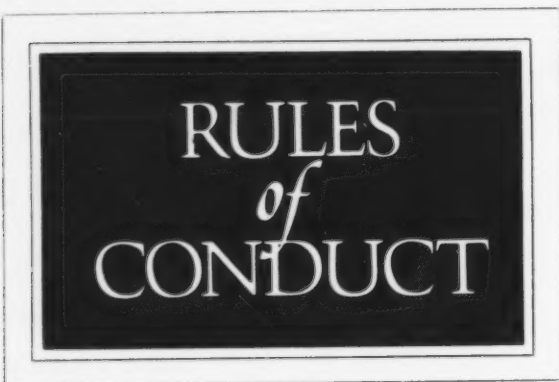
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Internal Revenue Service



These Rules Supplement the Minimum Standards of Conduct
Department of the Treasury

Acknowledgment of Receipt

I have received a copy of Document 7098, Rules of Conduct. I am aware that it is my obligation to familiarize myself with its contents.

Employee's Name *(Please Print)*

Signature

Date

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Foreword

Public confidence in the integrity and dependability of the Service is crucial to the accomplishment of the IRS mission. It can be instilled and maintained only if every contact with the public reflects high ethical standards and our commitment to perform our work conscientiously, courteously, and effectively.

Our mission cannot be accomplished without a dedicated and well trained workforce. We recognize that the commitment of the workforce to the mission of the Service is largely dependent on the commitment of the Service toward its workforce. To foster a high degree of commitment, the IRS as an organization will be dedicated to improving and maintaining the quality of worklife. We will plan and implement human resource programs with the same sense of purpose and dedication that is demonstrated in administering tax programs.

These commitments, by and to our workforce, serve the public good by encouraging both dedication to quality performance and proper administration of our tax laws.

Chapter 1

Introduction

In accordance with the basic mission of the Internal Revenue Service to foster, to the fullest extent possible, voluntary compliance with all Revenue laws and regulations thereunder, the Service has issued the Rules of Conduct contained herein.

Confidence in the Service and faith in its dependability and integrity are factors having a vital impact on our ability to carry out our purpose. We can maintain the public confidence only to the extent that every one of our contacts with the public reflects the highest ethical and moral standards.

In addition to our daily assigned tasks, each of us has an important public relations role to play. Not only must we act with complete propriety, but we must be sure that none of our actions can be interpreted otherwise. Courtesy, fairness, and competence must mark all our relationships with the public. We must be reasonable and as ready to recognize the rights of the taxpayer as we are to protect the rights of the Government.

Achievement of these attitudes by all employees will build public esteem and make a major contribution to realizing maximum voluntary compliance.

In this very serious sense, these Rules of Conduct are promulgated. No desire exists to restrict our employees unduly or unnecessarily in their personal or official conduct. These rules have been adopted because of the contribution they make to strengthening public confidence in the Service.

These Rules of Conduct are designed to provide you with full notice of your responsibilities. Although they prescribe conduct required of all employees of the Internal Revenue Service they are not to be considered all inclusive. The absence of a specific rule covering an act which tends to discredit an employee or the Service, does not mean that such an act is condoned, is permissible, or would not call for, and result in, corrective action or adverse action, including separation when considered necessary, or in the interest of the Internal Revenue Service.

It is hoped that you will read these carefully and will abide by their spirit as well as their letter. Each of us can take pride in belonging to an organization which places such a high premium on ethical standards in official and personal conduct. We can also take pride in being part of an organization which contributes so much to the growth and strength of our nation.

Employees are required to familiarize themselves with the contents of these Rules of Conduct and are obligated to abide by them. Decisions in personnel matters involving disciplinary action will be based on the assumption that employees are familiar with the contents of this document.

Additional guidance regarding these Rules of Conduct may be obtained from your immediate supervisor. Guidance regarding the appropriate administrative and procedural requirements attendant to the Rules of Conduct are contained in Internal Revenue Manual 0735.1. The IRM is available for reference and use from either your immediate supervisor or your personnel office.

Chapter 2

Rules Concerning Employee Conduct

210 Scope and Introduction

211 Introduction

In order for the Service to serve the public interest, the Service and its employees must hold and maintain the confidence and esteem of the public we serve. To achieve this, employees are expected to conduct themselves in their official relations with the public and their fellow employees, in a courteous, businesslike, and diplomatic manner. Conduct which does not conform to these rules, or related statutes or regulations, which directly impacts on an employee's position, official duties, or the Service, may subject the employee to appropriate disciplinary action. The absence of a specific rule relating to an employee's action which may impact on their official duties or the Service, does not mean that such an act is either condoned or may not result in disciplinary action. These rules supplement the Department of the Treasury Minimum Standards of Conduct, 31 CFR Part 0, which also apply and which are attached.

212 Employee Obligations

Fundamental to the effectiveness of these rules and their administration is the obligation of each employee to become familiar with them, abide by them, and seek the necessary information from his or her supervisor regarding interpretation of the rules.

213 Deputy Agency Ethics Official

The Director, General Legal Services Division, Washington, DC, is the Service's "Deputy Agency Ethics Official (DAEO)." The duties of the DAEO include providing Service employees with counseling regarding interpretation or application of these rules of conduct, related statutes or regulations, and conflict of interest questions. Employees desiring to avail themselves of the DAEO's services regarding matters of immediate or future personal interest or involving prospective employment, should consult their Personnel Office or the appropriate collective bargaining agreement, as applicable.

214 Matters of Official Interest

214.1 Responding to Questions

When directed by Inspection or other competent authority, employees must testify, provide information, or respond to questions (under oath when required) concerning matters of official interest.

214.2 Testimony in State or Local Courts

Employees may not provide official records or testimony regarding their employment or official duties, to any person, officer, or court, state or local, without receiving express authority. Upon receipt of any subpoena, employees will promptly seek guidance from their supervisor.

214.3 Reporting Allegations or Information of Employee Misconduct

All employees must promptly report, directly to Inspection, any information or allegation coming to their attention which indicates that another employee may have committed a crime, including violation of any tax law. Employees must also promptly report other acts of employee misconduct such as tardiness and misuse of leave to their immediate supervisor. Reports of misconduct involving an Inspection employee will be made directly to the Director, Internal Security Division, or the Assistant Commissioner (Inspection).

214.4 Reporting Attempted Bribes

Attempts to bribe Service employees represent flagrant attacks on the integrity of the Service and its employees. To assist the Service in preserving the highest level of integrity, employees should be perceptive and alert to such overtures and take the following action when bribery overtures are received. Avoid any statement or implication that the employee will or will not accept the bribe. Attempt to hold the matter in abeyance. Report the matter directly to the nearest office of Inspection promptly or as soon as practical. Avoid unnecessary discussion of the matter with anyone.

214.5 False Statements

Employees will not intentionally make false or misleading verbal or written statements in matters of official interest.

214.6 Trade Secrets, Style of Work, etc.

Employees may not disclose, in any manner, information coming to their attention during the course of their employment or official duties which concerns or relates to the trade secrets, style of work, or device, of any person, firm, or entity except as provided by law.

214.7 Service Operations

Employees may not disclose, without authority, any provision of the IRM or internal management document designated per IRM 1272, "Official Use Only," or any information concerning an investigation by the Service. When questions arise regarding the propriety of releasing specific information, employees should consult their supervisor.

214.8 Tax Information—Confidentiality

Employees may not disclose any tax return or information pertinent to a tax return except as provided in the Internal Revenue Code. Civil and criminal sanctions for established violations are prescribed in the Internal Revenue Code and the Privacy Act of 1974. IRM 1272, Disclosure of Official Information Handbook, contains detailed guidance on the treatment of tax returns and return information.

215 Matters Concerning Official Activities

215.1 Loyalty and Strikes

Employees must adhere to their oath of office and appointment affidavit which includes provisions on loyalty and prohibitions against strikes.

215.2 Performance of Duty

Employees are expected to conscientiously perform their duties to the Government and the public; respond readily to the direction of their supervisors; and conduct their relations with fellow employees in a manner which does not cause dissension or discord.

215.3 Observance of Duty Hours

Employees must observe designated duty hours and be punctual in reporting for work and returning from lunch and breaks. Leave is to be used in accordance with its intended purpose and must be approved in advance whenever possible.

215.4 Firearms

Only a Criminal Investigator, GS-1811, may carry or have in his or her vehicle a firearm while conducting official business. However, even those employees are forbidden to unnecessarily display a firearm in public.

215.5 Appearance

Employees are expected to groom themselves in a manner fitting to the surroundings into which their work assignments take them.

216 Matters Concerning Personal Activities

216.1 Reserved

216.2 Personal Associations and Activities

Employees will be held responsible for any public discredit which may result from unjustified association with criminal or notoriously disreputable persons.

216.3 Use of Intoxicants

Employees may not use intoxicating beverages while on official duty or in a manner adversely affecting their work performance. Employees will also be held responsible for misconduct or public discredit stemming from their use of intoxicants while off duty.

216.4 Gambling

Employees may not engage in any form of illegal gambling, nor gamble while on Government property or official time.

216.5 Lending or Borrowing

The lending or borrowing of money between Service employees, either frequently, or in substantial sums, is prohibited.

216.6 Indebtedness

Employees are expected to manage their private financial affairs and handle personal debts and obligations in a manner which will not cause embarrassment to the Service. Employees are expected to meet all just financial obligations, (i.e., those acknowledged by the employee or reduced to judgement by a court), especially those imposed by law, such as Federal, State, and local taxes.

216.7 Tax Obligations

Employees will timely and properly file all required tax returns.

216.8 Political Activity

The Hatch Act places specific restrictions on employee political activity. In addition, the Service imposes a further restriction: employees may not wear or display political badges or buttons when dealing with the public. Ignorance of the law does not excuse an employee's violation. The prescribed penalty for an established violation is immediate removal or suspension without pay for not less than 30 days. Specific guidance related to this activity may be obtained from Personnel.

216.9 Soliciting for Employee Organizations

Employees may not solicit from any organization or person outside the Service anything of value for any employee organization or employee welfare group.

217 Matters Concerning Government Property, etc.

217.1 Accountability for Money and Property

Employees may not use Government property of any kind including official documents and data for other than officially approved activities. Employees are expected to protect and conserve all Government property entrusted or issued to them; promptly report the loss of, or damage to, property entrusted to them; and return all Government property upon separation from the Service.

217.2 Use of Government Vehicles

Employees may not use, or authorize the use of, Government owned or leased vehicles for other than official purposes, nor may they transport any other person who is not on official business.

217.3 Influencing Legislation

Employees must not use Government time, money, or property to influence members of Congress to favor or oppose legislation.

217.4 Use of Pocket Commissions, Enforcement Badges, and ID Cards

Pocket Commissions, enforcement badges, and various identification cards issued to employees are to be used to establish identification or authority in connection with official duties. They may be used for personal identification purposes, e.g., for cashing checks or proof of employment; but may not be used to exert influence or obtain, either directly or indirectly, privileges, favors, or rewards.

217.5 Computers

Employees must make every effort to assure the security and prevent the unauthorized disclosure of protected information/data in the use of Government owned or leased computers. In addition, employees may not use any Service computer system for other than official purposes.

220 Outside Employment And Business Activity

221 General Rule

Employees of the Internal Revenue Service enjoy the maximum freedom possible to engage in outside employment or business activity, whether performed outside official hours of duty or while in an approved leave status, as long as consistent with the Service's functional responsibilities established by statute and regulation. Nevertheless, the Service's extremely sensitive mission and the attendant importance of public relations necessitate certain restrictions. Thus, as a general rule, employees may engage in any outside employment or business activity provided such activity is not prohibited. The approval or disapproval of requests for outside employment or business activities are dependent on, and subject to, individual considerations relevant in the judgment of the approving authority. Such considerations include an employee's position, grade, or geographical locale. Whether a salary is involved is usually not relevant to such determinations.

222 Consultants, Experts, etc.

These rules do not apply to consultants, experts, or other Special Government employees as defined in 18 USC 202.

223 Principles

1. The fundamental principles which govern the permissibility of outside employment are that:
 - a. The outside activity does not place the employee in a situation where there may be a possible conflict, or the appearance of a conflict, between his or her private interests and his or her official duties and responsibilities.
 - b. The outside activity (unless otherwise permitted) does not deal directly with any tax related matters.

- c. The outside activity will not result in improper use of official information obtained in connection with the employee's Government duties or position.
- d. The nature of employment or business activity or the hours to be devoted to such outside activity will not impair the employee's availability, capacity, or efficiency for the performance of his or her official duties.
- e. The employee will not in any manner advertise or make it known that he or she works for the Service in order to generate or enhance business.
- f. The employee will not do indirectly, i.e., in the name of, or through family, that which he or she is prohibited to do directly. "Family" means persons within the following degree of kinship to the employee or spouse: parents, grandparents, children, grandchildren, or siblings.

224 Prohibited Activities

224.1 Service Rule

Employees may not engage in any outside employment or business activity which gives rise to a real or apparent conflict of interest. Such incompatible activities include:

- a. Legal Employment or Practice—Legal activities involving Federal, State, local tax matters, or any matter in which the United States is a party.
- b. Appearance On Behalf of Taxpayers—Appearing on behalf of any taxpayer as an attorney, agent, or representative before any governmental agency, federal, state, or local—in an action involving a tax matter except upon written authorization of the Commissioner of the Internal Revenue Service.
- c. Accounting—Engaging in accounting, the use, analysis, and interpretation of financial records when such activity involves tax matters.
- d. Bookkeeping—Engaging in bookkeeping, the recording of transactions, record making phase of accounting, when such activity is directly related to a tax determination.
- e. Preparation of Tax Returns for Compensation—Engaging in the preparation of tax returns for compensation, gift, or favor.

225 Restricted Activities

225.1 Service Rule

Employees must, prior to engaging in any outside employment or business activity, either with or without compensation, request and obtain written permission from the appropriate official. Subject to Section 224 such activities may be approved unless the activity would result in an actual or apparent conflict of interest. The following activities listed under Section 225.2 represent examples of areas of outside employment or business activity where an actual or apparent conflict of interest will most likely occur. As such, particular attention should be paid to this guidance by employees in seeking approval.

225.2 Miscellaneous Outside Activities

1. Speeches and Publications

- a. Public addresses and articles for publication, whether performed as an official duty or in a private capacity, which deal with official operations or policies of the Service or the Department of the Treasury, must be cleared in advance in accordance with current Service directives. (See IRM 1(1940).) Specific written permission in advance is necessary if the author is to be identified as a Service employee.
- b. Where any such activity is performed as an official duty, employees may not accept a fee, salary, honorarium, or other compensation from any source other than the Federal Government. Acceptance of reimbursement for travel, lodging, meals, or nominal courtesies is governed by Section 234.1.
- c. Where any such activity is performed in a private capacity, employees may accept a fee, salary, or other compensation which is reasonable and in accordance with these rules.

2. Legal Employment or Practice

Outside employment and legal activities may be approved provided that employees may not advertise nor be affiliated with a firm and the activity is not remotely involved with tax law. For example, adoptions, title searches, law clerkships, and all legal services to immediate family are not considered to be involved with tax law.

3. Bookkeeping and Accounting

- a. Employees may only engage in the full range of bookkeeping activities, (the recording of transactions, record making phase of accounting), provided that such activity does not involve or influence a tax determination.
- b. Employees may be authorized to engage in bookkeeping and accounting activities which involve or influence a tax determination only in the following situations:
 1. Where an employee, whose official duties could not influence a tax determination or collection, wishes to keep the books for a firm owned or run by his or her immediate family and the prospects are remote for a conflict of interest;
 2. Where the activity is for a civic, religious, educational or charitable nonprofit organization and is unpaid; and
 3. Where the employee has been given permission to otherwise engage in a business with a spouse.

4. Gambling Casinos and Establishments

Employees may engage in employment at a paramutual betting establishment. However, generally, employees may not work at casinos or gambling establishments.

5. Financial Counseling/Planning Service

Generally, employees may engage in the sale or promotion of services in fields of finance, such as financial investment counseling/planning services or similar related activities, as long as they are not directly or indirectly related to tax matters.

6. Holding Public Office

To be permissible under the Hatch Act, "... political activity must be of a strictly local character completely unrelated to issues and candidates that are identified with national and state political parties." (Specific guidance related to this activity may be obtained from Personnel.)

7. Teaching/Instructing of Tax Related Courses

Qualified employees may engage in part-time teaching/instructing of courses in taxation at institutes of good standing in the community, including practitioner institutes. Proper authorization in accordance with established procedures must be obtained in advance.

226 Applying for Permission

Except as provided in Section 228, employees requesting permission to engage in an activity must submit three completed copies of Form 7995, Outside Employment or Business Request, to their immediate supervisor; employees requesting an exception to the prohibitions of Section 224 will submit four completed copies of Form 7995. Employees will likewise be expected to provide any supplementary information requested by their supervisor, reviewers, or approving official to facilitate review of their requests.

227 Appeals

Employees who feel that they have grievances as a result of denials of permission to engage in outside employment or business activity, may appeal the disapproval decisions pursuant to IRM 0771.1, Grievance Handbook, or a negotiated grievance procedure, as applicable.

228 Seasonals

Seasonal employees may not engage in any activity described in Section 224. While in non-duty status, such employees may accept/engage in outside employment without obtaining prior written permission that is otherwise required. Upon return to duty status, the employee must submit a written request, Form 7995, if the outside employment activity continues.

229 Activities Which Do Not Require Prior Approval

229.1 General

Written permission is not required to engage in outside activities which are not considered to be employment or business. Although every specific activity is not covered, the general categories discussed below are furnished as basic guidelines.

229.2 General Examples

1. Membership and services (including holding of office) in civic, scout, religious, educational, fraternal, social, community, veteran, and charitable organizations, including corporations, where such office or services do not entail the management of a business type activity such as the direct operation of a commercial type clubhouse.
2. Membership and services (including holding of office) in Federal employee organizations and recognized Federal employee unions. However, employees in certain positions are prohibited from holding office in recognized employee organizations. If there is any doubt as to the propriety of accepting an office, the matter should be promptly referred to the servicing Personnel Office for decision.
3. Membership and services (including holding office) in local offices of legally authorized credit unions whether or not they are run by and for Service personnel. This includes paid bookkeeping work performed by the treasurer as well as part-time clerical or teller services.
4. Membership in investment club enterprises.
5. Services as a Notary Public.
6. Unpaid bookkeeping, preparation of tax returns and other forms required by the Service, and the maintenance of other records for civic, religious, educational, and charitable nonprofit organizations which are exempt from Federal income tax.
7. Sales of articles to coworkers, friends, relatives, and neighbors not involving sales to, and solicitation of, the general public. Such sales must not be solicited for or transacted during office hours or in space occupied by Treasury or Service offices.
8. Rental of personally owned property, real or personal. However, employees must seek written approval pursuant to Section 226 of this document if the extent or scope of such rental activities could lead others reasonably to conclude that the employee is involved in the operation of a commercial business venture.
9. Minor services and odd jobs for friends, relatives, or neighbors.
10. Temporary (30 days or less) emergency assistance in a family enterprise in case of an emergency, such as the death or serious illness of, or incapacitating accident to, a member of the family engaged in such business. This exception is to ensure that the employee will not, by administrative restrictions, be denied the right immediately to assume a share of the responsibilities in the family emergencies. Written permission is required if the need for such assistance continues beyond 30 calendar days or occurs more often than once in a calendar year.
11. Participation in fundraising drives as chairperson or in other capacities, subject to these conditions:

- a. The fundraising drive must not be for any purpose or cause likely to reflect discredit or embarrassment on the Service or be in conflict with the interest of the Federal Government.
 - b. If the employee is to serve as chairperson of a fundraising drive, the drive must be under the auspices of non-profit civic, religious, charitable, educational, fraternal, veteran, professional, scout, or social service organizations; or a Federal Government section of a drive.
- 12. Furnishing advice and assistance in the preparation of tax returns where there is no fee or other consideration.
 - 13. Being custodian of one's child's property, or acting as administrator, executor, guardian, or attorney-in-fact for a relative or friend provided the duties do not entail operation of a business. Such services are not considered legal employment or practice. Acceptance of an executor's or trustee's fee is permissible if no part of the fee is specifically identified as payment for tax return preparation.

230 Conflicts of Interest

231 General Provisions

A conflict of interest is a situation in which a Service employee's private interest, usually of a financial or economic nature, conflicts or raises a reasonable question of conflict with the employee's public duties and responsibilities. A financial interest may be one involving the employee, the employee's spouse, minor child, partner, or organization in which the employee is serving as an officer, director, trustee, partner or employee, or any person or organization with whom the employee is negotiating or has any arrangements concerning prospective employment. Employees must be alert and avoid any situation which creates a conflict of interest or creates a reasonable question of a conflict of interest with their official duties. Penalties prescribed by statute for established violations include both fine and/or imprisonment.

232 Self-Disqualification From Certain Assignments

An employee having been assigned any duty, responsibility, case, or other work assignment which might create a real or apparent conflict of interest must promptly bring the specific facts and circumstances to the attention of the employee's immediate supervisor, who will provide appropriate instructions. Likewise, employees must notify their immediate supervisors during the performance of duties already assigned in the event that changed personal circumstances (such as newly acquired interests, associations, or relationships) might create a real or apparent conflict of interest.

233 Purchase of Government Property

Employees may not directly or indirectly bid or purchase, at any sale of Government property, property under the direction, or incident to the functions of the Service. Employees may purchase any other Government property provided that they identify themselves to the disposing agency as an employee of the Service and are governed by the disposing agency's rules, if any, concerning sales to Government employees.

234 Gifts and Gratuities

234.1 From Sources Outside of the Service

1. Service Rule

- a. Except as provided below in paragraphs (2)(a) through (d) an employee may not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, or loan; opportunity to purchase an item at cost, discount, or bargain price, unless such opportunity is available to the general public; or other thing of monetary value from a person or entity which:
 1. Has, or is seeking to obtain, contractual or other business or financial relations with the Treasury Department;
 2. Conducts operations or activities that are regulated by the Treasury Department; or
 3. Has interests that may be substantially affected by the performance or nonperformance of the employee's official duty.
- b. Where circumstances do not permit rejection (for example, a gift received by mail), the employee will consult with his or her supervisor.

2. Exceptions and Guidelines

- a. Employees may accept gifts, entertainment, and food when the circumstances make it clear that obvious family or personal relationships are the exclusive factors.
 - b. Employees, as a general rule, must not accept food and refreshments from taxpayers. However, the Service recognizes that circumstances can arise where its employees would be placed in awkward situations in refusing to accept food and refreshments. Accordingly, where circumstances would make it uncomfortable to refuse, acceptance of food and refreshments of nominal value on infrequent occasions, is permitted when such action occurs in the ordinary course of a luncheon or dinner meeting or other meeting where an employee may properly be in attendance.
 - c. Employees in attendance in their official capacity, either as active participant or IRS/Treasury representative, at organized functions which have been considered appropriate and important ones to attend because of the recognized benefits of such attendance to Treasury operations, may accept food and refreshments of nominal value on infrequent occasions.
 - d. Employees may accept unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, and other items of nominal intrinsic value.
3. Employees must exercise sound judgment to comply with the intent of this rule.

234.2 From Other Employees

Employees may not solicit a contribution from another employee for a gift to a person in a superior official position, nor make a donation for a gift to a person in a superior official position, nor may such superiors accept a gift from an employee receiving less pay than themselves. Employees may contribute to, or donate for, a voluntary gift of a nominal value for another employee made on a special occasion, such as marriage, illness, or retirement.

234.3 From Foreign Governments

The Constitution prohibits employees from accepting from foreign governments, except with the consent of Congress, presents, emoluments, offices, or titles. The Congress has given its consent in 5 USC 7342 to the acceptance of certain specified gifts and decorations. Minimum value is periodically redefined by the Administrator of General Services. It is currently defined as having a maximum retail value in the United States of \$165 or less at the time of acceptance. If an employee accepts a tangible gift of more than minimal value, such a gift is deemed to have been accepted on behalf of the United States and, upon its acceptance by the employee, becomes the property of the United States. The employee must transfer such a gift to the Service within 60 days for appropriate disposal by the agency.

235 Relations With the Public

235.1 Recommending Attorneys, Accountants

Employees may not recommend, refer, or suggest, specifically or by implication, any attorney or accountant or firm of attorneys or accountants to a taxpayer in connection with any official business which involves or may involve the Service.

235.2 Transactions With Taxpayers and Their Representatives

Employees may not engage in any business or financial transaction with a taxpayer or their representative which may reasonably be construed as influencing or improperly relating to the past, present, or future performance of the employee's official duties.

235.3 Payment or Reimbursement of Travel and Subsistence Expenses by State, Counties, or Municipalities, or by Certain Tax-Exempt Organizations

1. An employee who has been authorized as an official duty to attend or participate in a tax forum or continuing professional education program, may accept payment or reimbursement of reasonable expenses for travel, lodging, and meals from any State, county, or municipal agency, or from an organization which has been determined to be tax exempt under section 501(c)(3) of title 26, United States Code, provided:
 - a. Written approval is obtained in advance from a duly authorized approving official;

- b. Reimbursement or payment is limited to the actual expenses of round trip transportation not to exceed the cost of coach airfare plus necessary ground transportation, the cost of a standard single room at the forum or program site, and reasonable meal costs; and
 - c. A written report of all expenses reimbursed or payments made is submitted to the approving official and maintained for a period of four years.
2. Pursuant to Delegation Order No. 189, (as revised), the appropriate approving officials for employees of the Service are the Deputy Commissioner for all Associate, Assistant and Regional Commissioners, and the Assistant Commissioners and Regional Commissioners for all employees under their own supervision. For employees of the Office of Chief Counsel, the appropriate approving officials are the Chief Counsel for all Regional Counsel and Deputies Chief Counsel, and the Regional Counsel and the Deputies Chief Counsel for all employees under their own supervision.

240 Statements of Employment and Financial Interest

Executive Order 11222, the Ethics in Government Act, and 5 CFR 735 require the filing of certain statements of employment and financial interest by certain designated employees. Those employees required to file such statements will be appropriately contacted by their personnel offices.

Appendix

Department of the Treasury, Minimum Standards of Conduct

31 CFR Part O (Revised as of December 23, 1988)

PART 0—STANDARDS OF CONDUCT

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AUTHORITY: 5 U.S.C. 301, 5 U.S.C. 7301, Executive Order 11222, 18 U.S.C. 208, 5 CFR Part 735.

Subpart A—General provisions

§ 0.735-1 Purpose.

This part describes the Standards of Conduct required of all Department of the Treasury employees. The regulations in this part implement the Office of Personnel Management regulations (5 CFR Part 735) in accordance with Executive Order 11222, as amended. The Standards of Conduct in this part are not to be considered all inclusive and may be supplemented by the Department and bureaus to meet specific needs. The absence of a specific published standard of conduct covering an act tending to discredit an employee or the Department does not mean that such an act is condoned, is permissible, or would not call for and result in corrective or disciplinary action.

§ 0.735-2 Scope.

This part covers the following subject areas:

- (a) Subpart A of this part sets the general policy and definitions to be applied in interpreting the Department's Minimum Standards of Conduct and allocates responsibility in implementing these standards;
- (b) Subpart B of this part summarizes the principal conflict of interest statutes and defines rules of conduct and procedures for all regular employees;
- (c) Subpart C of this part contains rules concerning confidential financial disclosure;
- (d) Subpart D of this part contains rules concerning public financial disclosure by Executive Personnel;

(e) Subpart E of this part applies to special Government employees and advisers;

(f) Subpart F of this part sets forth additional rules and guidelines applicable to employees stationed in foreign countries.

§ 0.735-3 Policy.

(a) Executive Order 11222 of May 8, 1965, as amended (18 U.S.C. 201 note), states the basic philosophy of conduct for those who carry out the public business:

Where government is based on the consent of the governed, every citizen is entitled to have complete confidence in the integrity of their government. Each individual officer, employee, or adviser of government must help to earn and must honor that trust by his (or her) own integrity and conduct in all official actions.

(b) Personnel of the Department of the Treasury are expected to adhere to the above stated principles and to standards of behavior that will reflect credit on the Government. The Department's position is that of having confidence in its employees and of taking a positive and reasonable approach to the matter of maintaining the high Standards of Conduct necessary in the transaction of Treasury activities. Those few employees who violate the laws or the rules or regulations on conduct in this part will be disciplined in accordance with the gravity of the offenses committed.

(c) Disciplinary action may be in addition to any penalty prescribed by law. If disciplinary or other remedial action is necessary, it will be taken only after consideration of the explanation of the employee and will be effected in accordance with applicable laws and regulations. Remedial action may include, but is not limited to:

- (1) Changes in assigned duties.
- (2) Disqualification for a particular assignment.
- (3) Divestment by the employee of his or her conflicting interest.
- (4) Disciplinary action.

§ 0.735-4 Definitions.

In this part: (a) "Regular employee" or "employee" means an officer or employee of the Department of the Treasury, but does not include a special Government employee.

(b) "Special Government employee" means an officer or employee of the Department of the Treasury, or an employee detailed from another agency to the Department, who is retained, designated, appointed, employed, or detailed to perform, with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis.

(c) "Adviser" means a person who provides advice as a representative of an outside group and not as an employee or special Government employee.

(d) "Person" means an individual, a corporation, a company, an association, a firm, a part-

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nership, a society, a joint stock company, or any other organization or institution.

(e) "Bureau" means for purposes of these regulations the Internal Revenue Service, Office of the Comptroller of the Currency, Bureau of Alcohol, Tobacco and Firearms, U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, Financial Management Service, Bureau of the Public Debt, U.S. Savings Bonds Division, United States Mint, Bureau of Engraving & Printing, Departmental Offices and the Legal Division.

RESPONSIBILITIES

§ 0.735-5 Assignment of responsibilities.

The assignment of responsibilities to carry out the provisions of this part is described below in § 0.735-6—§ 0.735-12.

§ 0.735-6 Department.

The Department's responsibilities are to:

- (a) Issue policy and basic Standards of Conduct applicable to all Treasury employees,
- (b) Periodically review the basic standards issued and to review initially and periodically those additional standards issued by the bureaus,
- (c) Set requirements to ensure that supervisors and employees are aware of the Standards of Conduct, of their responsibilities in maintaining and adhering to those standards and of the fact that disciplinary action will be taken in cases of failure to maintain or adhere to them, and
- (d) Establish procedures for furnishing advice to management and to employees on the application of Standards of Conduct.

§ 0.735-7 The Department's counselor.

The Deputy General Counsel is the Ethics Counselor for the Department on matters covered by the regulations in this part. In addition, the Deputy General Counsel is the Department's Designated Agency Ethics Official (DAEO) for the purposes of the Ethics in Government Act, as amended. There will be an Alternate Designated Agency Ethics Official and such Deputy Designated Ethics Officials as the Deputy General Counsel appoints. The Deputy General Counsel is responsible for coordination of the counseling service within the Department and for interpretations on questions of conflicts of interest and other matters under this part. This includes providing the guidance required by section 206(b)(7) of the Ethics in Government Act.

§ 0.735-8 Deputy counselors.

The Chief Counsel or Legal Counsel for each bureau, or his or her designee, is the Deputy Ethics Counselor for that bureau.

As such, his or her responsibility is to give authoritative advice and guidance on conflicts of interest and other matters covered by this part.

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§ 0.735-9 Role of personnel officers.

(a) Personnel officers at all organizational levels are responsible for providing general guidance and assistance to supervisors and employees in implementing and adhering to the provisions of the regulations in this part. Where questions arise or where advice is sought by other supervisors or employees which involve either advice or interpretation which is legal in nature, personnel officers will be responsible for seeing that the advice or interpretation is sought or obtained from the Deputy Ethics Counselor or the Ethics Counselor, as appropriate. Personnel officers will ensure that a briefing is given to all new employees on the rules in this part and the statutory provisions summarized in § 0.735-21. These officers will further ensure that all departing employees are briefed on the applicable post-employment restrictions of 18 U.S.C. 207, 5 CFR Part 737, this part and other applicable restrictions.

(b) The Department's Director of Personnel will issue a directive detailing implementation of this requirement.

§ 0.735-10 Bureaus.

The responsibilities of the bureaus are to:

- (a) Provide employees with basic Standards of Conduct and any additional Standards and explanations necessary to effectively carry out the policy of the President and of the Department,
- (b) See that employees and supervisors are aware of their responsibilities in maintaining and adhering to established Standards of Conduct,
- (c) Inform employees as to how and from whom they may get additional clarification of Standards of Conduct and related laws, rules, and regulations,
- (d) Advise employees of the location or availability or regulations governing conduct in and on Treasury buildings and grounds (§ 0.735-51),
- (e) Ensure that appropriate disciplinary action is taken against employees who violate Standards of Conduct and related laws, rules and regulations and against supervisors who fail to carry out their responsibilities in taking or recommending disciplinary action when appropriate against employees under them who have committed such offenses, and
- (f) Review and evaluate the effectiveness of standards issued and their application.

Note.—Bureaus shall provide employees with copies of the regulations in this part and will require a written receipt from each employee. New employees shall be given copies of the regulations in this part at the time of their employment. All employees will be timely reminded of periodic requirements (such as the requirement to promptly file and pay tax during the tax season, political restrictions during election campaigns, etc.) as well as continually educated concerning these rules. This may be done by posting the Standards on the bulletin board, by reminders in house organs or by other forms of written communication, including payroll inserts. In addition, employees will be reminded annually of their obligation to follow the Standards of Conduct.

§ 0.735-11 Supervisors.

It is the responsibility of each supervisor to:

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(a) Know the Standards of Conduct applicable to him or her and the employees under his or her supervision.

(b) Advise the employees under his or her supervision to help them obtain advice on the application of the Standards of Conduct.

(c) Adhere to the Standards of Conduct.

(d) See that the employees under his or her supervision know and adhere to them also.

(e) Take or recommend disciplinary action when appropriate in cases where the employees under his or her supervision violate the Standards or the principles upon which they are based.

§ 0.735-12 Employees.

(a) Each employee in the Department is required to:

(1) Know the Standards of Conduct and their application in his or her case.

(2) Seek information from his or her supervisor in case of doubt or misunderstanding on the application of the Standards of Conduct.

(3) Adhere to the Standards of Conduct, and

(4) Be aware of the consequences of violation of the laws, rules and regulations regarding conduct.

(b) Any employee who has information indicating that another employee engaged in any criminal conduct or violated any of the rules of these Standards of Conduct shall promptly convey such information to the Inspector General or to the appropriate internal affairs office of the Bureau of Alcohol, Tobacco and Firearms; U.S. Customs Service; Internal Revenue Service; or U.S. Secret Service. (An attorney in the Legal Division who obtains such information during the course of representation shall instead report to the appropriate Chief or Legal Counsel or the Deputy General Counsel.) The confidentiality of the source of such report will be maintained in a manner appropriate to the circumstances of the case.

(c) Employees shall report information of the type discussed in paragraph (b) of this section related to foreign intelligence or other information of the type covered by Executive Order 12356 to the Inspector General except that Legal Division attorneys who gain information during representation shall report this to the Deputy General Counsel.

Subpart B—Rules of Conduct

CONFLICT OF INTEREST STATUTES

§ 0.735-20 General.

The elimination of conflicts of interest in the Federal service is one of the most important objectives in establishing general standards of conduct. A conflict of interest situation may be defined as one in which a Federal employee's private interest, usually of an economic nature, conflicts or raises a reasonable question of conflict with his or her public duties and responsibilities. The potential conflict is of concern

whether it is real or only apparent. In addition to the conflict of interest statutes, summarized in § 0.735-21, the Department has rules concerning conflicts of interest that appear in §§ 0.735.34, 0.735.35, 0.735.36, and 0.735.39.

§ 0.735-21 Summary of provisions of criminal code which define conflicts of interest.

The following is a brief summary of the provisions of the criminal code, 18 U.S.C. 201 *et seq.*, which define the conflicts of interest which are subject to fine and imprisonment. These provisions have been interpreted by the Attorney General in a memorandum distributed to Heads of Departments and Agencies, dated January 28, 1963, 28 FR 985 and published in a note following 18 U.S.C. 201. Specific examples of the application of the post-employment restrictions are provided by the Office of Government Ethics in 5 CFR Part 737. It should be noted that lesser prohibitions apply to special Government employees than to regular employees as indicated in Subpart E of this part.

(a) 18 U.S.C. 203. Section 203 prohibits an employee from receiving, agreeing to receive or asking for, directly or indirectly, any compensation for services, otherwise than as provided by law, rendered by the employee or another in relation to any matter in which the United States is a party or has a substantial interest, before any Department or agency.

(Example: any Government employee's acceptance of compensation for Federal tax representation is prohibited, whether the employee provided the representation or not.)

(b) 18 U.S.C. 205. Section 205 prohibits an employee from:

(1) Acting as an agent or attorney in prosecuting any claim against the United States or receiving any share or interest in such claim for assistance in its prosecution, or

(2) Acting as an agent or attorney for anyone before any Department, agency or court in connection with any particular matter in which the United States is a party or has a direct and substantial interest.

This section does not prohibit a regular Government employee from acting with official approval and with or without compensation as agent or attorney for his or her parents, spouse, child or any person for whom, or for any estate for which, he or she is serving as guardian or other fiduciary, with certain exceptions set forth in section 205. (See § 0.735-39 for Departmental restrictions.) The provisions of this section and section 203 do not prevent an employee, if not inconsistent with the faithful performance of his or her duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty or other personnel administration matter in connection with such matter.

(c) 18 U.S.C. 207(a). Section 207(a) prohibits a former employee at any time after his or her employment has ceased, from acting as agent or

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attorney (including making any oral or written communications with the intent to influence) for anyone other than the United States in connection with any particular matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which he or she participated personally and substantially as an employee.

(d) 18 U.S.C. 207(b)(i). Section 207(b)(i) prohibits any such former Government employee within two years after his or her employment from acting as an agent or attorney for, or otherwise representing (including making an oral or written communication with the intent to influence) anyone other than the United States in connection with any particular matter involving a specific party or parties in which the United States is a party or directly and substantially interested and which was under his or her official responsibility within one year prior to the termination of such responsibility.

(e) 18 U.S.C. 207(b)(ii). Section 207(b)(ii) imposes an additional restriction which applies only to "Senior Employees." All executive level employees, together with those in Senior Executive Service who have been designated in 5 CFR 737.33 are "Senior Employees." A former "Senior Employee" may not aid or assist in representing by personal presence at a formal or informal appearance for a period of two years after employment with respect to any particular matter in which the employee would be prohibited from personally representing by Section 207(a) on account of personal and substantial participation as a Government employee.

(f) 18 U.S.C. 207(c). Section 207(c) prohibits a former "Senior Employee" from acting as an agent or attorney for anyone other than the United States, or making an oral or written communication with the intent to influence, in any particular matter (but not necessarily involving a specific party or parties) before or to the employee's former agency for one year after employment. Certain Treasury components have been designated as "separate agencies" for purposes of this rule in 5 CFR 737.31. However, heads of these components may not take advantage of this separate agency designation and are barred from appearing before the Department as a whole. Similarly, those who supervise a component even though not part of it may not avail themselves of the designation.

(g) 18 U.S.C. 208. Section 208 prohibits any employee from participating personally and substantially as a Government employee in any particular matter in which to his or her knowledge the employee, the employee's spouse, minor child, partner, organization in which the employee is serving as an officer, director, trustee, partner or employee, or any person or organization with whom he or she is negotiating or has any arrangement concerning prospective employment, has a financial interest. An employee may be exempted from the provision of this section if he or she makes full disclosure of the financial interest to the official responsible for his or her

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appointment and receives in advance a written determination by that official that the interest is not so substantial as to be likely to affect the integrity of that employee's service. (Example: an auditor who owns stock in a company may not perform an audit of that company and an attorney working on a matter involving a company may not negotiate for employment with the law firm representing the company.) See § 0.735-37 for specific rules relating to negotiating employment. See § 0.735-36(e) for a general exemption of certain financial interests from the scope of this prohibition. Exemptions from the prohibition of section 208 may be made by general rule or regulation pursuant to section 208(b)(2). Specific exemptions pursuant to section 208(b)(1) may be made:

(1) For employees in the Departmental Offices by a superior official not lower than Deputy Assistant Secretary;

(2) For employees in bureaus by an official designated by the bureau head (this authority should not be delegated lower than the equivalent of Deputy Assistant Secretary); and

(3) For employees in the Legal Division by the Chief or Legal Counsel or Deputy General Counsel.

(h) 18 U.S.C. 209. Section 209 prohibits any employee from receiving any salary or any contribution to or supplementation of salary as compensation for services as a Government employee from any source other than the Government. This section does not apply to a special Government employee, and does not prevent participation in any bona fide pension, retirement, profit sharing, or other welfare or benefit plan maintained by a former employer. This section also does not prohibit payment or acceptance of certain contributions, awards or expenses in connection with Government employee training programs or attendance at meetings authorized under 5 U.S.C. 4101-4118. In addition, payments by state or local governments and relocation expenses paid to White House fellows or participants in executive exchange programs may be accepted.

RULES OF CONDUCT

§ 0.735-30 Proscribed actions; responsibilities.

(a) An employee shall avoid any action, whether or not specifically prohibited by this part, which might result in, or create the appearance of:

- (1) Using public office for private gain;
- (2) Giving preferential treatment to any person;
- (3) Impeding Government efficiency or economy;
- (4) Losing complete independence or impartiality;
- (5) Making a Government decision outside official channels; or
- (6) Affecting adversely the confidence of the public in the integrity of the Government.

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(b) An employee shall not unlawfully disclose personal information with respect to an individual which information has been obtained in the course of the employee's official duties.

(c) Employees may express their personal views on assigned matters to their immediate supervisors. Nevertheless, they are required to implement authorized decisions of their supervisors.

(d) Employees are expected to be courteous and tactful in their official relations with the public.

§ 0.735-31 Political activity.

Employees have the right to vote as they may choose and to express their opinions on all political subjects and candidates, but are forbidden to take active part in political management or campaigns (5 U.S.C. 7324). Political activity in some local elections is permissible; but before employees engage in such activity, they should familiarize themselves with the statutory provisions and the Office of Personnel Management's regulations on this subject (5 U.S.C. 7324-7327 and 5 CFR Part 733). Employees are free to make political contributions, subject to two restrictions. First, it is unlawful for employees to solicit, receive or to be concerned with political assessments, subscriptions, or contributions for any political purpose whatever from other employees (5 U.S.C. 7323). Second, employees may not make contributions to an officer or employee of the Government who is the employer or employing authority of the contributing employee, or to an authorized committee of that officer or employee (18 U.S.C. 603). Employees may be disqualified from employment for knowingly supporting or advocating the violent overthrow of our constitutional form of government (5 U.S.C. 7532 and E.O. 10450, as amended).

§ 0.735-32 Strikes.

Employees shall not strike against the Government (5 U.S.C. 7311).

§ 0.735-33 Gifts or gratuities from Government employees.

(a) Employees of the Federal Government are prohibited from soliciting contributions from other employees for gifts or presents to persons in superior official positions. Neither may such superiors receive any gift or present offered to them from employees in the Government receiving less salary than themselves (5 U.S.C. 7351).

(b) Collections of spontaneous origin may be made for voluntary token gifts on special occasions, such as marriage, retirement, resignation or for expressing condolences in cases of illness or death. Solicitations for such gifts should be limited to employees in the immediate office of the employee concerned and a few close associates with whom he or she has worked. However, supervisors may not solicit contributions from an employee under their supervision under any circumstances. In no case should general solicitations be made for a gift, nor should gifts to the

recipients be in cash, except that small amounts (e.g. under \$20) remaining after the purchase of a gift may be included with the gift. A collection may be made, in accordance with the limitations set forth in paragraphs (a) and (b) of this section, with supervisory approval, for a cash gift to assist in a catastrophic illness or disaster, provided that these collections are limited to co-workers of approximately equal status to the recipient employee, and to his or her immediate supervisors.

(c) Employees must not be placed under pressure for personal contributions and the solicitor must make it clear to all prospective contributors that contributions are voluntary.

§ 0.735-34 Gifts or gratuities from outside sources.

(a) Except as provided in paragraphs (b) and (c) of this section, an employee shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value from a person who: (1) Has, or is seeking to obtain, contractual or other business or financial relations with the Department of the Treasury, (2) conducts operations or activities that are regulated by the Department, or (3) has interests that may be substantially affected by the performance or nonperformance of his or her official duty.

(b) General exceptions to the rule in paragraph (a) of this section are as follows unless otherwise precluded by heads of bureaus:

(1) Acceptance of gifts, entertainment, and food is proper when circumstances make it clear that obvious family or personal relationships (such as those between the employee and the parents, children, friends or spouse of the employee), rather than the business relationship of the persons concerned, are the motivating factors. (Friends for purposes of this rule are those with whom the employee has a long standing or close personal relationship.)

(2) Acceptance of food or refreshments of nominal value on infrequent occasions is permitted when such action occurs in the ordinary course of a luncheon or dinner meeting or other meeting or on an inspection tour where an employee may properly be in attendance, provided there is no pattern of accepting such food or refreshments from a single source. This exception also applies when Treasury officials are in attendance at large organized functions which are considered appropriate ones to attend because of the recognized benefit of such attendance to Treasury operations.

(3) If food or refreshments are received under circumstances that preclude immediate payment without embarrassment, and the acceptance is not authorized by paragraph (b)(1) or (2) of this section, it will be permitted to be accepted, but only if, within a reasonable period of time, the employee actually reimburses the host or has made a good faith effort to reimburse a host who will not accept reimbursement.

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(4) Employees may accept gifts, the personal receipt of which is prohibited by these rules, where under the immediate circumstances, refusal would create embarrassment if: (i) The employee promptly turns the gift over to the Departmental Gift Unit (or as specified in bureau directive) for return or other appropriate disposition; or

(ii) The employee directly returns the gift or writes a brief letter to the donor advising that Department rules do not permit the employee to accept the item. The employee will then submit the letter and the gift item to his or her supervisor who will arrange for mailing the letter and returning the gift item to the donor at Government expense.

(5) Employees may accept loans from banks or other financial institutions on customary terms to finance proper and usual activities of employees, such as home mortgage loans, except where prohibited by law or regulation.

(6) Employees may accept unsolicited advertising or promotional material such as pens, pencils, note pads, calendars and other items of nominal intrinsic value. Employees may accept discounts afforded to Government employees as a whole, or to other groups of which the employee is a part, except when the entity is one which has business dealings with or is regulated by the employee's bureau.

(c) The rules set forth in paragraphs (a) and (b) of this section also apply to an employee who consents to the offer or acceptance of any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value by a person other than that employee, under circumstances which might reasonably be construed as influencing or improperly relating to past, present, or future performance of the employee's governmental duties.

(d) The receipt of payment or reimbursement by outside sources for the expenses of travel and subsistence for activities related to Government employment is permitted only in accordance with § 0.735-40.

(e) This section is not an attempt to classify all possible situations involving gifts or gratuities from outside sources. It is presented to assist management and employees in interpreting the rule and applying it. Cases must be judged on their individual merits. Employees must exercise sound judgment to comply with the intent of the rule. For example, acceptance of a gift permitted under paragraph (b) of this section might be inappropriate in certain circumstances. If there is any reasonable doubt about accepting a gift or gratuity, the employee should submit his or her questions in writing to the immediate supervisor and obtain a written opinion as to whether acceptance of the gift or gratuity is permissible under the rules of conduct.

§ 0.735-35 Gifts or gratuities from foreign governments.

(a) The Constitution prohibits employees from accepting from foreign governments, except with

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the consent of the Congress, presents emoluments, offices, or titles. Congress has given its consent in 5 U.S.C. 7342 to the acceptance of certain specified gifts and decorations. Employees may retain gifts of minimal value meant as a souvenir or mark of courtesy if not prohibited by agency regulations.

(b) Minimal value for foreign government gifts to Treasury employees is \$180.00 (or such higher amount established in 41 CFR Part 101-49).

(c) All gifts in excess of minimal value, the refusal of which would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, may be accepted and deposited with the Department within sixty days of acceptance.

(d) Deposit with the Department means delivery to the Departmental Gift Unit or other deposit authorized in the current Treasury Directive on Foreign Gifts.

(e) Any foreign gift must be reported as prescribed in the current Treasury Directive on Foreign Gifts.

§ 0.735-36 Outside financial interests.

(a) An employee shall not:

(1) Have a direct or indirect financial interest that may reasonably be expected to be in conflict, or appears to be in conflict, with his or her Government duties and responsibilities; or

(2) Engage in, directly or indirectly, a financial transaction as a result of, or primarily relying on, information obtained through his or her employment with the Department.

(b) Any employee who has a financial or other interest which may be affected by a matter to which the employee is assigned, shall promptly notify his or her supervisor of the potential conflict of interest. The supervisor is responsible for ensuring that the employee does not work on any matter which would create a conflict of interest (other interests which might require disqualification include membership in a non-profit organization, financial interests of friends or relatives in a matter, and the like). Employees should consult with the Ethics Counselor or supervisor in case of doubt.

(c) An employee who is negotiating for, or has an arrangement concerning, prospective employment may not participate in a matter in which the prospective employer has a financial interest. Financial interest for this rule includes an indirect interest, such as when the prospective employer is representing a client which has a direct interest in the matter. To assist employees, the following rules apply to employment negotiating situations:

(1) An arrangement for employment includes a tacit agreement to return to a former employer.

(2) A negotiating situation exists either during active negotiation, where an employee solicits employment, or where an employee does not promptly reject an unsolicited offer of employment.

(3) The types of matters which the employee must refrain from participating in include not

only particular matters, such as individual cases, but general matters such as drafting of regulations which would have a direct and predictable impact on the prospective employer.

(4) Employees should promptly notify their supervisor in writing of all employment arrangements and negotiations with an individual or organization which has financial interests actually or potentially affected by any matter on which the employee is working unless advised by an Ethics Counselor that a given negotiation need not be reported.

(d) This section does not preclude an employee from having a financial interest or engaging in financial transactions to the same extent as a private citizen not employed by the Government so long as it is not prohibited by law, Executive Order 11222, as amended, this Part, or other regulations or directives.

(e) Pursuant to 18 U.S.C. 208(b)(2), the financial interests described below are deemed to be too remote and inconsequential to affect the integrity of employees' services. Therefore, an employee will not be in violation of section 208(a) for participating in a matter in which he or she has such interest. However, employees should refrain from participating in matters notwithstanding this waiver if such participation would result in an improper appearance. The financial interests referred to above are:

(1) Stocks or bonds of publicly traded corporations with a value of \$1,000 or less;

(2) Stocks or bonds in the investment portfolio of a diversified mutual fund in which an employee has invested.

§ 0.735-37 Using official designation.

Employees shall not permit their official position, status or designation to be used in a manner that is intended to further, or gives the appearance of furthering, the private, financial or business interests of the user.

§ 0.735-38 Purchase of Government property.

(a) Employees are prohibited from, either directly or indirectly, bidding or purchasing at any sale of property either owned by the Government and under control of the employees' bureau (or a bureau over which the employee exercises supervision) or seized and sold under the direction of the employees' bureau.

(b) Government property under the control of the Department shall not be sold to a Government employee (including an employee of any Treasury bureau other than the disposing bureau), either directly or indirectly, unless an authorized representative of the bureau disposing of the property has determined that the sale is in the best interests of the Government.

(c) Before purchasing any Government property, either directly or indirectly, from any agency other than Treasury, employees of the Department shall make known to the disposing agency that they are such employees. Employees are permitted to purchase such property unless

prohibited by the disposing agency's rules. If the disposing agency's rules defer to the employing agency's rules, the procedures in paragraph (b) of this section shall apply to purchases by Treasury employees.

(d) This section does not apply to items sold generally to the public at fixed prices, such as Mint numismatic products. In addition, a foreign gift deposited with the Department may be purchased by the donee employee pursuant to 5 U.S.C. 7342 and 41 CFR Part 101-49.

§ 0.735-39 Outside employment and other outside activities—General rules.

(a) Employees shall not engage in any outside employment or other outside activities with or without compensation, which—

(1) Interfere with the efficient performance of official duties,

(2) Might bring discredit on or cause unfavorable and justifiable criticism of the Government,

(3) Might reasonably result in a conflict of interest, or an apparent conflict of interest, with official duties and responsibilities, or

(4) Might result in the unauthorized use or disclosure of classified or sensitive information.

(b) Bureau heads will establish appropriate instructions to meet their particular needs in regard to outside employment and other outside activities of their employees. Generally, these instructions will require employees to obtain written permission from appropriate approving officials. All approvals should be reviewed annually. To simplify administration of this rule, bureaus may include in their instructions criteria not inconsistent with the regulations in this Part which provide for outside activities which are clearly permissible and would not require written permission. Bureaus will retain in employees' Official Personnel Files all requests whether granted or not. In addition, bureaus will retain a separate file of all requests and approvals for the use of the counselor and deputy counselors.

(c) Under 5 U.S.C. App. (section 210 of the Ethics in Government Act of 1978, Pub. L. 95-521) all employees who are compensated at a pay grade in the General Schedule of grade 16 or above and who occupy full-time positions appointment to which is required to be made by the President, by and with the advice and consent of the Senate, may not have outside earned income which is in excess of 15 percent of their salary in any calendar year.

§ 0.735-40 Teaching, writing, lecturing, and speechmaking.

(a) This section sets forth rules regarding teaching, writing, lecturing or speaking, whether in a private or official capacity, which is dependent on information the employee obtained as a result of Government employment, or related to Treasury Department business. Teaching, writing, lecturing or speaking not dependent on information obtained as a result of

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Government employment, or related to Treasury Department business, or governed by § 0.735-39 and bureau regulations on outside employment.

(b) The following procedures control these activities dependent on Government information or related to Treasury Department business.

(1) *Use or release of nonpublic information.* An employee may not use or release in a teaching, writing, lecturing, or speechmaking activity (whether as an official duty or in a private capacity) information gained as a result of Government employment which has not been made available to the general public, or will not be made available on request, unless the appropriate approving official gives written authorization for such use or release based upon a determination that such use or release is in the public interest.

(2) *Activities undertaken as an official duty.* An employee may engage in teaching, writing, lecturing, or speechmaking as an official duty. If consistent with the proper expenditure of public funds, such activities may be permitted as official duties. Approval of the activity by the employee's supervisor and the content of the teaching, writing, lecturing or speechmaking engagement by the appropriate approving official is required. If undertaken as an official duty, all expenses are to be borne by the Treasury Department and the employee may receive no other compensation or reimbursement. However, the employee may, under 5 U.S.C. 4111 and 5 CFR Part 410, accept reimbursement for actual travel and reasonable lodging and subsistence expenses from organizations determined by the Secretary to be tax exempt as described in 26 U.S.C. 501(c)(3) or from state, county or municipal governments, if no U.S. Government payment or reimbursement is made for the expense, and the acceptance of the payment is consistent with the Department's policy of eliminating any conflict of interest or appearance of a conflict of interest with his or her official duties and responsibilities. While an employee may incur additional expenses, no reimbursement of such excess is permitted except by a person who:

(i) Is a relative or close personal friend, and

(ii) Makes such payment solely from personal funds.

Any payment or reimbursement shall be subject to the rules of this part pertaining to gifts and gratuities. Subject to these same limitations and approval requirements, reimbursement for reasonable travel expenses of a spouse or traveling companion who accompanies the employee may be accepted.

(3) *Activities undertaken in a private capacity.*

(i) An employee may teach, write, lecture, or speak on matters related to Treasury Department business or which will draw from information gained while a Government employee (subject to paragraph (c)(2) of this section if nonpublic information is involved) in a private capacity subject to the following limitations:

(A) An advance copy or outline (such as a course outline) of any speech, writing, etc., must

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be given to the appropriate approving official who may disapprove the presentation;

(B) The employee may not use his or her official title without specific written approval by the appropriate approving official. An example of title use where approval is normally appropriate is where the employee's Government position is referred to in biographical information provided in conjunction with the outside activity; and

(C) The employee may not utilize Government time or facilities to prepare the presentation or submission. Acceptance of honoraria is discouraged.

(ii) If an honorarium or other compensation is to be received, specific written approval is required. (Presidential appointees shall obtain personal written approval of the Secretary).

(iii) If an honorarium or other compensation is not to be received, further approval is not needed, unless required by bureau regulations.

(iv) Employees may accept payment for travel, lodging, and subsistence expenses actually incurred from the person or group sponsoring an activity determined not to be an official duty, if the payment is reasonable in amount and otherwise consistent with the Department's policy to eliminate any conflict of interest or appearance of a conflict of interest with the official duties and responsibilities of the employee. Presidential appointees shall obtain the personal written approval of the Deputy Secretary or Secretary before accepting any such payment. An employee may incur excess expenses not reimbursable under this subsection. Payment or reimbursement of such expenses is permitted by a person who:

(A) Is a relative or close personal friend,

(B) Makes such payment solely from personal funds, provided

(C) That such payment is in accordance with the rules of this part pertaining to gifts and gratuities. Payment of these excess expenses by anyone other than a relative or close personal friend requires approval as compensation under paragraph (c)(4)(ii) of this section.

(4) *Reporting requirements.* All employees receiving compensation or reimbursement for expenses for teaching, writing, lecturing, or speechmaking devoted to the responsibilities, programs or activities of the Department, or drawing upon official data or ideas which have not been made public, shall immediately submit a written report to the appropriate approving official stating the amounts paid and by whom, unless this information was previously provided to that official. In addition, the employee may be required by the appropriate approving official to furnish other relevant information concerning these payments.

(5) *Other restrictions.* (i) Under 5 CFR 735.203(c), the Secretary of the Treasury may not receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance, the subject matter of which is devoted substantially to the responsibilities, programs, or operations of the Treasury Department, or which

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draws substantially on official data or ideas which have not been made public.

(ii) Under 2 U.S.C. 44i, employees are prohibited from receiving honoraria of more than \$2,000 for any appearance, speech, or article;

(iii) Presidential appointees should be aware that the earned income limitation described in § 0.735-39(c) applies to honoraria.

(c) For purposes of this section the "appropriate approving official" shall be, in the case of employees within a bureau, the bureau head or deputy; in the case of employees within an office, the office head or deputy; and in the case of a bureau or office head, the official to whom the bureau or office head reports pursuant to Treasury Department Order No. 101-5. (This authority may be delegated in writing.)

(d) Treasury employees are prohibited from official attendance at segregated meetings. They may not participate in conferences or speak before audiences where any racial group has been segregated or excluded from the meeting, from any of the facilities or the conferences, or from membership in the group.

§ 0.735-41 Gambling, betting, and lotteries.

(a) Except as provided for in paragraph (c) of this section an employee shall not participate while on Government-owned or leased property or while on duty for the Government, in any form of illegal gambling, betting, lotteries or the sending of chain letters, even if such activities are in support of a worthy cause.

(b) Possession on Government-owned or leased premises of any numbers slip or ticket, record, notation, receipt or other writing of a type ordinarily used in any illegal form of gambling, such as a tip sheet or dream book, unless explained to the satisfaction of the head of the bureau or his delegate, shall be prima facie evidence that the employee is participating in an illegal form of gambling on such premises.

(c) This section does not preclude: (1) Activities necessitated by an employee's law enforcement duties; or (2) purchase of lottery tickets sold on Government-owned or leased property by blind vendors, as provided for in the Randolph Sheppard Act (20 U.S.C. 107a(a)(5)) except in those states or localities where such gambling is prohibited by statute, ordinance or other applicable laws.

§ 0.735-42 Use of intoxicants; controlled substances.

(a) Employees must refrain from using intoxicants or controlled substances habitually, to excess or in any way which adversely affects their work performance. In addition, employees are forbidden from engaging in the illegal sale, use or possession of controlled substances while on Department premises or on official duty.

(b) Employees in violation of paragraph (a) of this section may be subject to disciplinary action up to and including dismissal.

(c) In addition, each employee should be aware that any use of intoxicants or use, sale or posses-

sion of controlled substances found to be prejudicial to the Government may subject that employee to disciplinary action. See § 0.735-57.

§ 0.735-43 Indebtedness; tax obligations.

(a) Employees shall not without good reason fail to maintain good credit and a reputation for prompt settlement of their just financial obligations in a proper and timely manner. They are expected to manage their private financial affairs in a manner which will not cause embarrassment to the Treasury Department. This particularly includes just financial obligations to Federal, State, and local governments for taxes as well as private concerns and individuals. A "just financial obligation," as used in this section, means one acknowledged by the employee; reduced to judgment by a court; or, in the case of taxes, as provided by paragraph (b) of this section. "In a proper and timely manner," as used in this section, means in a manner which the Department determines does not, under the circumstances, reflect adversely on the Department as his or her employer. In the event of disputes between an employee and an alleged creditor, this section does not require the Department to determine the validity or amount of the disputed debt.

(b) In accordance with the requirement in paragraph (a) of this section that employees pay their just financial obligations in a proper and timely manner, employees must timely pay any valid tax due to a Federal, State, or local government agency. A "valid tax due" as used in this paragraph includes:

(1) A balance due on an original return as filed with a government agency;

(2) An uncontested tax assessment of a government agency;

(3) A tax otherwise due a government agency which is acknowledged by the employee; or

(4) A final administrative determination confirmed by notice of a tax lien issued by a government agency.

(c) In addition, it is expected that employees will file timely and properly all tax returns in keeping with the requirements of law, regulation or ordinance, whether or not a tax is due.

§ 0.735-44 Care of documents.

The care of Government documents is a Federal requirement which is regulated by legislation. All records and documents in the custody of employees are in their custody for official purposes only. It is unlawful to remove, conceal, alter, mutilate, obliterate or destroy records or documents, or to remove or attempt to remove them from official custody with the intent of performing any of the above actions (18 U.S.C. 2071). Employees must not remove records and documents from official files without approval from proper authority. Working papers, copies of reports and other official records and documents shall be promptly sent to file when no longer needed for official purposes. Disposal or destruction of records and documents is to be made in

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accordance with established requirements. There are specific instructions relating to the safeguarding of classified or other sensitive information which are furnished to employees authorized to have access to such information. See further the regulations in Part 1 of this title which implement 5 U.S.C. 301, 552 and 552a governing the care and the disclosure of records in the Department of the Treasury; § 0.735-61 of this part; and see the relevant statutes and regulations, if any, issued by a bureau or office to which the record belongs.

§ 0.735-45 Lending or borrowing money.

Employees shall not, either directly or indirectly, lend to or borrow from other employees substantial sums of money. In negotiating loans from authorized sources, such as credit unions, welfare associations, commercial or private banking institutions, etc., if the transaction involves the signature of one or more endorsers or comakers, the borrower must not in any instance solicit, or permit to be affixed to any instrument as endorser or comaker, the signature of any Treasury employee who exercises supervision over that borrower, or over whom that borrower exercises supervision.

§ 0.735-46 Use of Government cars.

Employees are prohibited from using Government cars for other than official purposes. Use of such cars for transportation of employees between their domiciles and places of employment can only be justified where affirmatively authorized by statute, as in 31 U.S.C. 1344. Employees who violate this section shall be suspended from duty without compensation for not less than one month and may be suspended for a longer period or removed from office if circumstances warrant.

§ 0.735-47 Disclosure of information to the public.

Employees may not disclose official information without either appropriate general or specific authority under Department or bureau regulations. However, employees who are so authorized should make every effort to comply promptly and courteously with requests by the public for information, when permitted to do so by law. See further 31 CFR 1.9, 1.10, and 1.28(b).

§ 0.735-48 Giving testimony.

(a) When directed to do so by competent Treasury authority, employees must testify and respond to questions truthfully, under oath when required, concerning matters of official interest.

(b) The information provided by an employee pursuant to paragraph (a) of this section shall be furnished to authorized persons in the Department of the Treasury who have a need for the information in the performance of their duties.

(c) Failure to testify, respond to questions, or give truthful answers, under oath when required, pursuant to paragraph (a) of this section,

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may subject employees to dismissal from Federal employment or other disciplinary or adverse action. Furnishing false information may also result in criminal prosecution.

(d) The authority for soliciting information pursuant to paragraph (a) of this section is granted in 5 U.S.C. 301 (Authorization of Agency Heads to Prescribe Regulations for their Departments); Executive Orders 10450 (Security Requirements For Government Employees) and 11222 (Prescribing Standards of Ethical Conduct For Government Officers and Employees); and 26 U.S.C. 7801 (Authority of the Secretary of the Treasury).

§ 0.735-49 Personal communications.

Employees may not conduct personal business while on official duty. Personal use of telephones is restricted to essential need. Employees who receive personal mail at their office will advise addressers to stop sending such mail to the Department address.

§ 0.735-50 Use of Federal property.

Employees may not directly or indirectly use or allow the use of Federal property of any kind for other than officially approved activities. Employees also have a positive responsibility to protect and conserve all Federal property including equipment and supplies entrusted or issued to them.

§ 0.735-51 Conduct while on official duty or on Government property.

Employees must adhere to the regulations governing conduct in and on the Treasury Building, and Treasury Annex Building and grounds (Part 407 of this title); the Bureau of Engraving and Printing, and Bureau of Engraving and Printing Annex Building and grounds (Part 605 of this title); the Bureau of the Mint buildings and grounds located in Denver, Fort Knox, New York, Philadelphia, San Francisco, and West Point (Part 91 of this title); the grounds of the Federal Law Enforcement Training Center (Part 700 of this title); and Treasury-occupied General Services Administration buildings and grounds (41 CFR Subpart 101-19.3). In addition, each employee must refrain from acting in a manner unbecoming a Treasury employee, while on official duty or in Government buildings.

§ 0.735-52 Influencing legislation or petitioning Congress.

Employees are prohibited from using Government time, money or property (as, for example, through sending telegrams or letters) to influence a Member of Congress to favor or oppose any legislation. This prohibition does not apply to the official handling through proper channels of matters relating to legislation affecting the Department of the Treasury (18 U.S.C. 1913). Employees have the right to petition Members of Congress either individually or collectively or to furnish information to any committee or member

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of either House of Congress (5 U.S.C. 7211) when not using Government time, money or property.

§ 0.735-53 Soliciting, selling, and canvassing.

Except when authorized by the head of the bureau, office or division concerned, and except as provided by § 0.735-33, employees are prohibited from soliciting, from making collections, from canvassing for the sale of any article or from distributing literature or advertising matter in any space occupied by Treasury.

§ 0.735-54 Office of Personnel Management examination processes.

Appointment and future advancement in the Federal career service are based on the important principle of individual merit and qualifications. The selection and merit competitive processes are protected by the Office of Personnel Management statutory provisions, 5 U.S.C. Chapter 33 and the Office of Personnel Management regulations. Employees shall not participate either directly or indirectly in any of the following actions:

(a) Intentionally make a false statement or practice any deception or fraud in examination or appointment;

(b) Induce persons to withdraw from competition for competitive service positions;

(c) Engage in any improper activity with respect to the taking of Office of Personnel Management examinations and examination ratings; or

(d) Obstruct the right of any person to take examinations according to the Office of Personnel Management rules and regulations.

§ 0.735-55 Falsification of official records.

(a) Employees shall avoid making false, misleading or ambiguous statements, deliberately or willfully, whether oral or written, in connection with any matter of official interest. Some of these matters of official interest are: Transactions with the public, other Federal agencies or fellow employees; application forms and other forms which serve as a basis for appointment, reassignment, promotion or other personnel action; vouchers; leave records; work reports of any nature or accounts of any kind; affidavits; entry or record of any matter relating to or connected with the employee's duties; and report of any moneys or securities received, held or paid to, for or on behalf of the United States.

(b) Furnishing false information may subject employees to dismissal from Federal employment, or other disciplinary or adverse action; and may also result in criminal prosecution (18 U.S.C. 1001).

§ 0.735-56 Miscellaneous statutory provisions.

Bureau heads should advise employees of any laws which relate specifically to employees in their bureaus. The attention of every employee is

directed to the statutes relating to conduct listed below: (a) Pub. L. 96-303, July 3, 1980, 94 Stat. 855, 856, the "Code of Ethics for Government Service" (5 U.S.C. 7301 note).

(b) The prohibition placed on Department of the Treasury employees against carrying on any trade in any public funds or debts or obtaining any personal gain from transacting the Department's business (31 U.S.C. 329).

(c) Chapter 11 of Title 18, U.S.C., relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned.

(d) The prohibition against the misuse of official mail for private purposes (18 U.S.C. 1719).

(e) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(f) The prohibition against—

(1) Embezzlement of Government money or property (18 U.S.C. 641);

(2) Failing to account for public money (18 U.S.C. 643); and

(3) Embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).

(g) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).

(h) The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784).

(i) The prohibitions against—

(1) The disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783);

(2) The disclosure of confidential information (18 U.S.C. 1905);

(3) The unlawful disclosure of personal information (5 U.S.C. 552a); and

(4) The disclosure of tax information (28 U.S.C. 6103).

(j) The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

(k) The prohibition against Federal employment of any person convicted of a felony in furtherance of, or while participating in, a riot or civil disorder (5 U.S.C. 7313).

(l) The tax imposed on certain employees (e.g., Presidential appointees, employees excepted under Schedule C, employees whose compensation is equal to or greater than that for GS-16, or executive assistants or secretaries to any of the foregoing) who knowingly engage in self-dealing with a private foundation (26 U.S.C. 4941, 4946). "Self-dealing" is defined in the statute to include certain transactions involving an employee's receipt of compensation or other benefits such as a loan, or reimbursement for travel or other expenses from, or his or her sale to or purchase of property from, a private foundation.

(m) The prohibition against a public official appointing or promoting a relative, or advocating such an appointment or promotion (5 U.S.C. 3110).

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(n) The prohibition against interfering with Office of Personnel Management examinations (18 U.S.C. 1917).

(o) The prohibition against striking against the Government (18 U.S.C. 1918).

§ 0.735-57 General conduct prejudicial to the Government.

An employee shall not engage in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government. See Federal Personnel Manual Chapter 731 for general guidance on the use of the terms "criminal, infamous, dishonest, or notoriously disgraceful conduct."

§ 0.735-58 Nondiscrimination.

While in the performance of duty, no employee may discriminate against any other employee, applicant for employment, or person dealing with the Department on official business because of race, color, religion, national origin, sex, age, or handicap. Nor may any employee engage in acts of sexual harassment.

§ 0.735-59 Possession of weapons and explosives.

Employees while on official duty or while in Government buildings shall not have in their possession firearms, other dangerous or deadly weapons or explosives, either openly or concealed, except for official purposes.

§ 0.735-60 Privacy Act.

(a) The head of each office and division shall be responsible for assuring that employees under their supervision are advised of the provisions of the Privacy Act, including the criminal penalties and civil remedies provided therein. Also, that employees are made aware of their responsibilities to protect the privacy of individuals by:

- (1) Avoiding unauthorized disclosure either orally or in writing;
- (2) Assuring that information maintained is accurate, relevant, timely and complete;
- (3) Insuring that no system of records, as defined in section 2(a)(5) of the Act is maintained without public notice.

(b) Employees of the Department of the Treasury shall:

- (1) Collect no information of a personal nature from individuals unless authorized to collect it to achieve a function or carry out a responsibility of the Department;
- (2) Collect from individuals only that information which is necessary to Department functions or responsibilities;
- (3) Collect information, wherever possible, directly from the individual to whom it relates, unless related to a system exempted under 5 U.S.C. 552a(j);
- (4) Inform individuals from whom information is collected of the authority for collection, the purposes thereof, the use that will be made of the

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information, and the effects, both legal and practical, of not furnishing information;

(5) Neither collect, maintain, use nor disseminate information concerning an individual's religious or political beliefs or activities or an individual's membership in associations or organizations, unless—

(i) The individual has volunteered such information;

(ii) The information is expressly authorized by statute to be collected, maintained, used or disseminated; or

(iii) The activities involved are pertinent to and within the scope of an authorized investigation, adjudication or correctional activity;

(6) Advise their supervisors of the existence or contemplated development of any record system which is capable of retrieving information about individuals by individual identifier;

(7) Disseminate no information concerning individuals outside the Department except when authorized by 5 U.S.C. 552a or pursuant to a routine use published in the **Federal Register**;

(8) Keep an accounting in accordance with applicable directives, of all disclosure of personal information outside the Department, whether made orally or in writing;

(9) Maintain and process information concerning individuals with care in order to insure that no inadvertent disclosure of the information is made either within or without the Department; and

(10) Assure that the proper Department authorities are aware of any information in a system maintained by the Department which is not authorized to be maintained under the provisions of the Privacy Act of 1974, including information on First Amendment activities, or information that is inaccurate, irrelevant or so incomplete as to risk unfairness to the individual concerned.

(c) Employees may be charged with a misdemeanor and a fine up to \$5,000 for the following violations:

(1) Willful disclosure of records which is prohibited by section 3 of the Privacy Act of 1974 after having knowledge that disclosure of the specific material is so prohibited,

(2) Willful maintenance of records without meeting the requirements of publication of a notice concerning such system in the **Federal Register** under section 3(e)(4) of the Privacy Act; or

(3) Obtaining records under false pretenses.

Subpart C—Confidential Statement of Employment and Financial Interest

§ 0.735-90 General.

(a) Section 403 of Executive Order 11222, as amended by Executive Order 12565, authorizes the Office of Personnel Management to prescribe regulations requiring certain officers and employees in the Executive Branch to file confidential statements of employment and financial interests.

(b) This subpart describes Treasury procedures required to implement Executive Order 11222, as amended, and the regulations of the Office of Personnel Management, 5 CFR Part 735.

(c) Treasury officers required to file public financial disclosure reports by virtue of the Ethics in Government Act of 1978 shall do so in accordance with the procedures set out in Subpart D and will not be required to file confidential statements under this subpart, except as provided by § 0.735-153.

(d) Each bureau will submit a list of positions which meet the criteria for filing confidential statements to the Designated Agency Ethics Official by March 1 of each year. The Designated Agency Ethics Official will designate positions for coverage by April 1 of each year. Bureaus will advise employees of their filing requirements by May 1 of each year.

§ 0.735-91 Criteria for designation of employees required to submit confidential statements.

Except as provided in § 0.735-93 confidential statements of employment and financial interest will be filed by the following employees:

(a) Those classified at GS-13 to GS-15 under 5 U.S.C. 5332, or at a comparable pay level under another authority, who are in positions, the incumbents of which are responsible for making a Government decision or taking a Government action in regard to:

- (1) Contracting or procurement;
- (2) Administering or monitoring grants or subsidies;
- (3) Regulating or auditing private or other non-Federal enterprise; or
- (4) Other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise.

(b) Those classified at GS-13 to GS-15 under 5 U.S.C. 5332, or at comparable pay level under another authority, who are in positions determined to have duties and responsibilities which require the incumbent to report employment and financial interests in order to avoid involvement in a possible conflict of interest situation and carry out the purpose of law, Executive order, 5 CFR Part 735, and this Part.

(c) Those classified below GS-13 under 5 U.S.C. 5332, or at a comparable pay level under other authority, who are in positions which otherwise meet the criteria in paragraphs (a) and (b) of this section, but only when the inclusion of the position has been specifically justified in writing to the Office of Personnel Management as an exception that is essential to protect the integrity of the Government and avoid employee involvement in a possible conflict of interest situation.

(d) A list of designated positions requiring filing will be published annually as a Departmental directive.

§ 0.735-92 Exceptions.

Employees in positions that meet the criteria

in paragraph (a) of § 0.735-91 may be excluded by the Designated Agency Ethics Official from the reporting requirement when it is determined that:

(a) The duties of a position are such that the likelihood of the incumbent's involvement in a conflict of interest situation is remote; or

(b) The duties of a position are at such a level of responsibility that the submission of a statement of employment and financial interests is not necessary because of the degree of supervision and review over the incumbent or the inconsequential effect on the integrity of the Government.

§ 0.735-93 Grievances; form and conduct of statements.

(a) An employee who believes that his or her position has been improperly designated as one requiring submission of a confidential statement of employment and financial interest may challenge that determination through the agency's normal grievance procedure.

(b) The confidential statements of employment and financial interests required under this subpart for use by employees and special Government employees shall contain, at a minimum, the information required by the formats prescribed by the Office of Personnel Management in the Federal Personnel Manual. Such statements shall not include questions that go beyond, or are in greater detail than those included in Office of Personnel Management formats without the approval of the Office of Personnel Management.

§ 0.735-94 Time and place for submission of employees' initial statements.

Each employee required to submit a statement of employment and financial interests shall submit that statement to the office or official designated by the bureau head (reviewing official) not later than 30 days after the employee's entrance on duty in a covered position.

§ 0.735-95 Annual statements.

Employees shall submit an annual statement of employment and financial interests that shows changes in or additions to their original statement up to and including June 30 of each year, except when the Office of Personnel Management authorizes a different date. A complete report is required even if no change has occurred since the last report. This statement is required to be submitted to the reviewing official no later than July 31 each year. Notwithstanding the filing of the annual report required by this section, each employee shall at all times avoid acquiring a financial interest that could result in a violation of the conflict of interest provisions of 18 U.S.C. 208, Subpart C of 5 CFR Part 735, or this part.

§ 0.735-96 Interests of employees' relatives.

For purposes of completing the confidential statement of employment and financial interest, the interests of a spouse, minor child, or other

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member of the employee's immediate household are to be considered interests of the employee. In other words, those blood relations who are residents of the employee's household are to be treated for purposes of completing the financial statement as though they were the employee and, therefore, the report of financial interests should reflect their employment and financial interests in the same manner that the employment and financial interests of the employee are shown.

§ 0.735-97 Information not known by employees.

If any information required to be included in a statement of employment and financial interests, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit the information on his or her behalf.

§ 0.735-99 Information excluded.

The regulations in this subpart do not require an employee to submit on a statement of employment and financial interests any information relating to the employee's exercise of First Amendment rights, or the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic or political organization or a similar organization not conducted as a business enterprise. For the purposes of the regulations in this part, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's statement of employment and financial interests.

§ 0.735-99 Review of statements.

(a) Each bureau will make provision for a review of the statements submitted by its employees. This review may be made either by the bureau head or his or her designee. The system of review shall be designed to disclose conflicts of interest or apparent conflicts of interest on the part of employees. If information from the statements submitted or from other sources indicates a conflict of interest, the employee concerned shall be given an opportunity to explain the conflict or apparent conflict. If the conflict or apparent conflict is not resolved at the bureau or a lower organizational level, the matter will be referred to the Designated Agency Ethics Official.

(1) The assistance of the Designated Agency Ethics Official may be sought at any time.

(2) Each bureau head will submit a statistical report to the Designated Agency Ethics Official weekly beginning August 15 until the review process is complete. The report shall contain the number of statements required, the number re-

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ceived and the results of the reviews (such as the number approved and those awaiting final resolution).

(b) Notwithstanding paragraph (a) of this section, attorneys in the Legal Division shall submit their statements to their immediate supervisor for review, who will forward the statements to the Deputy General Counsel.

(c) In the case of officers who file public financial disclosure reports and who are also required by their bureaus to file supplemental information on a confidential basis in accordance with § 0.735-153, the supplemental information shall be filed with the head of the bureau, or his or her designee; and in the case of a bureau head filing such supplemental information, he or she shall submit it to the official in the Office of the Secretary to whom he or she reports under Treasury Department Order No. 101-5. Reviewing officials shall inform employees required to file supplementary statements in writing that such statements are due on or about June 15 each year. The statements will be reviewed by reviewing officials by August 31 and resolution shall be completed no later than September 30. Approval of each supplementary statement shall be shown affirmatively by initialing an "O.K." or other symbol of approval and the date of approval. The official shall submit a copy of each statement to the Designated Agency Ethics Official no later than September 15.

§ 0.735-100 Confidentiality of employees' statements.

(a) Statements of employment and financial interests shall be held in confidence. To ensure this confidentiality, bureaus and offices shall designate which employees are authorized to review and retain the statements. Employees so designated are responsible for maintaining the statements in confidence and shall not allow access to, or allow information to be disclosed from, a statement except to carry out the purpose of this Part.

(b) Criminal penalties may be imposed on an employee who willfully and knowingly discloses to an unauthorized person information protected under the Privacy Act.

§ 0.735-101 Effect of employees' statements on other requirements.

The submission of a statement or supplementary information by an employee does not permit the employee or any other person to participate in a matter in which the employee's or the other person's participation is prohibited by law, order, or regulation.

Subpart D—Executive Personnel Financial Disclosure Requirements

§ 0.735-150 General.

Executive personnel are required to file public financial disclosure statements upon appoint-

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ment, termination, and annually in accord with the regulations of the Office of Government Ethics, 5 CFR Part 734. For purposes of this provision, executive personnel are all those, at the Executive Level; in the Senior Executive Service; classified at GS-16 or above; paid at the minimum rate of basic pay fixed for GS-16 if paid under other than the General Schedule; or exempted from the competitive service by reason of occupying a position of a confidential or policy-making character (Schedule C), unless exempted from reporting by the Office of Government Ethics. For more information regarding this exemption as well as exemptions for special Government employees, and for those serving in a covered position for less than sixty-one days in a calendar year, see § 0.735-155.

§ 0.735-151 Procedure.

All executive personnel will file public financial statements on Standard Form 278 (or such other form as is prescribed by the Office of Government Ethics) pursuant to 5 CFR Part 734 and instructions which will be provided to each covered employee.

§ 0.735-152 Penalties.

Penalties for failure to file, or for falsification of a financial disclosure form are provided by the Ethics in Government Act of 1978. These penalties are a civil penalty of up to \$5,000 and administrative remedies which may include adverse action under 5 CFR Part 752.

§ 0.735-153 Supplemental information.

Executive personnel required to file public financial disclosure reports are generally exempt from the requirement to submit Confidential Statements of Employment and Financial Interests. Nevertheless, such executive personnel may be required to submit supplemental information on a confidential basis if it is determined that such information is needed by Treasury or the executive's bureau for enforcement of specific statutes or regulations not having Government-wide application. Upon receipt of sufficient justification by a bureau, the Designated Agency Ethics Official will approve requests for the collection of supplemental information and seek the approval of the Office of Personnel Management, if necessary.

§ 0.735-154 Exemptions from filing.

(a) Schedule C employees classified below GS-16 (or paid at a rate lower than GS-16 step 1 if not classified in the General Schedule) may be exempted from filing if they have no role in advising or making policy determinations with respect to agency programs or policies (such as those serving as chauffeurs, private secretaries, stenographers, and the like) pursuant to 5 CFR 734-203. The Director of Personnel will provide a list to the Designated Agency Ethics Official of those who are believed to meet the requirements

for exclusion by April 15 of each year. The list will include a description of each position and the name of the incumbent. After review, the list will be provided to the Office of Government Ethics by May 15 of each year. The Director of Personnel will notify those on this final list of their exemption. In the event of subsequent disapproval of any exemption by the Office of Government Ethics the Designated Agency Ethics Official will notify the Director of Personnel so that the Director may require filing by that individual.

(b) Creation of new Schedule C positions during the year requires an immediate determination of exemption. The Director of Personnel shall make the report required in paragraph (a) of this section (if exemption is believed appropriate) not later than ten days after the individual's entrance on duty. The procedures in paragraph (a) of this section will be followed for these special reports.

(c) An individual may be exempted from filing if the Designated Agency Ethics Official determines that the employee will serve sixty days or less in a covered position. The Director of Personnel or bureau heads will promptly request such exemptions if appropriate. A report is required 15 days after the sixty-first day of service of an exempted employee (5 CFR 734.204).

(d) Special Government employees who serve more than sixty days may be exempted from public disclosure by the Director of the Office of Government Ethics. Copies of exemption requests shall be sent to the Designated Agency Ethics Official. The waiver request must be filed with the Office of Government Ethics within:

(1) Ten days after the individual knows that he or she will serve more than sixty days in any calendar year; or

(2) The expiration of the sixty days. Rules governing this waiver are at 5 CFR 734.205.

§ 0.735-155 Ethics agreements.

An ethics agreement is a written commitment by an employee to take certain actions, such as recusal, divestiture and the like to avoid an actual or potential conflict of interest. Nominees to positions requiring Senate confirmation are the most likely to execute such agreements as part of the appointment and confirmation process. There are special rules concerning ethics agreements at 5 CFR 734.803 *et seq.* These rules cover notification of the creation of such an agreement, notification of compliance with the terms of the agreement, and provisions for filing and retention of agreements.

Subpart E—Special Government Employees

CONFLICT OF INTEREST STATUTES

§ 0.735-210 Applicability of 18 U.S.C. 203 and 205.

(a) The prohibitions in 18 U.S.C. 203 and 205 applicable to special Government employees are

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less stringent than those which affect regular employees. These two sections in general operate to preclude a regular Government employee, except in the discharge of his or her official duties, from representing another person before a department, agency or court, whether with or without compensation, in a matter in which the United States is a party or has a direct and substantial interest. However, the two sections impose only the following major restrictions upon a special Government employee:

(1) He or she may not, except in the discharge of his or her official duties represent anyone else (or receive compensation from another's representation) before a court or Government agency in a matter involving a specific party or parties in which the United States is a party or has direct and substantial interest and in which he or she has at any time participated in the course of his or her Government employment.

(2) He or she may not, except in the discharge of his or her official duties, represent anyone else (or receive compensation from another's representation) in a matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and which is pending before the agency he or she serves. However, this restraint is not applicable if he or she has served the agency no more than 60 days during the past 365. He or she is bound by the restraint, if applicable, regardless of whether the matter is one in which he or she has ever participated personally and substantially.

(b) These restrictions prohibit both paid and unpaid representation and apply to a special Government employee on the days when he or she does not serve the Government as well as on the days when he or she does.

(c) An employee who undertakes service with the Department of the Treasury and another department or agency shall inform each of his or her arrangements with the other.

(d) There may be situations where a special Government employee has a responsible position with his or her regular employer which requires him or her to participate personally in contract negotiations with the Department. In this situation, the special Government employee should participate in the negotiations for his or her employer only with the knowledge of a responsible Treasury official: i.e., the full-time official to whom the special Government employee reports. Prior to permitting such participation, the responsible Treasury official shall obtain approval in writing of the Deputy General Counsel.

(e) Section 205 of Title 18, U.S.C., contains certain exemptions. The first of these deals with a similar situation which may arise after a Government grant or contract has been negotiated. This provision in certain cases permits both the Government and the private employer of a special Government employee to benefit from his or her performance of work under a grant or contract for which he or she would otherwise be disqualified because he or she had participated in the matter for the Government or it is pending

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in an agency he or she has served more than 60 days in the past year. More particularly, the provision gives the head of a department or agency the power, notwithstanding any prohibition in either section 203 or 205 or Title 18 U.S.C. to allow a special Government employee to represent before such department or agency either his or her regular employer or another person or organization in the performance of work under a grant or contract, provided the national interest so requires. The action required to effect the exemption is a certification by the Secretary to be submitted for publication in the *Federal Register*. Such certifications will be forwarded to the Secretary through the Deputy General Counsel, and the exemption will not take effect until the certification is published.

(f) The other exemption permits a special Government employee to represent, with or without compensation, a parent, spouse, child, or another person or an estate he or she serves as a fiduciary, but only if he or she has the approval of the official responsible for appointments to his or her position and the matter involved is neither one in which he or she has participated personally or substantially nor one under his or her official responsibility. The term "official responsibility" is defined in 18 U.S.C. 202 to mean the direct administrative or operating authority, whether intermediate or final and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government action in the Department of the Treasury.

§ 0.735-211 Applicability of 18 U.S.C. 207.

(a) Section 207 of Title 18, Code applies to individuals who have left Government service, including former special Government employees. It prevents a former employee or special Government employee from representing another person in connection with certain matters (or making oral or written communications, with the intent to influence, to the Government or a court) in which he or she participated personally and substantially on behalf of the Government. The matters are those involving a specific party or parties in which the United States is also a party or has a direct and substantial interest. In addition, section 207 of Title 18, U.S.C. prevents a former employee for a period of two years after his or her employment has ceased, from representing another person (or making oral or written communications with the intent to influence) in such matters before a court, department or agency if the matters were within the area of his or her official responsibility at any time during the last year of his or her Government service. It should be noted that a consultant or adviser usually does not have "official responsibility."

(b) A special Government employee who serves sixty-one days or more in a given calendar year in a position designated as a Senior Employee position in 5 CFR Part 737 may not represent anyone other than the United States before the employ-

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ee's former agency in any particular matter (whether a specific party or parties are involved or not) and may not make oral or written communications, with intent to influence, to that agency for a period of one year after his or her employment has ceased. For purposes of this restriction, certain components of the Department of the Treasury have been designated as separate agencies from the balance of the Department in 5 CFR 737.31.

§ 0.735-212 Applicability of 18 U.S.C. 208.

(a) Section 208 of Title 18, U.S.C., bears on the activities of Government personnel, including special Government employees in the course of their official duties. In general, it prevents an employee or special Government employee from participating personally and substantially as a Government officer or employee in a particular matter in which, to his or her knowledge, the employee, the employee's spouse, minor child, partner, or a profit or nonprofit organization with which the employee has or is serving as officer, director, trustee, partner or employee, or any person or organization with whom the employee is negotiating or has any arrangement concerning prospective employment, has a financial interest. However, the section permits such an employee's agency to grant him or her an exemption if the interest is not so substantial as to affect the integrity of his or her service. Insignificant interests may also be waived by a general rule or regulation.

(b) For the purposes of 18 U.S.C. 208, the phrase "participates personally and substantially in a particular matter" applies to participation through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter. Accordingly, a special Government employee should in general be disqualified from participating as such in a matter of any type the outcome of which will have a direct and predictable effect upon the financial interests covered by the section. However, the power or exemption may be exercised in this situation if the special Government employee renders advice of a general nature from which no preference or advantage over others might be gained by any particular person or organization. The power of exemption may, of course, be exercised also where the financial interest involved is minimal in value.

RULES OF CONDUCT

§ 0.735-215 Applicability of Subpart B of this part.

The rules of conduct (§§ 0.735-20 through 0.735-61) contained in Subpart B of this part shall also apply to special Government employees insofar as their employment with the Treasury Department is concerned. However, the

prohibition in § 0.735-31, concerning active participation in political management or campaigns (5 U.S.C. 734), only applies to special Government employees on days that they serve the Department. In addition, where there are specific statutes applicable to employees in certain Treasury bureaus, the bureaus concerned should inform their special Government employees of the applicability of those statutes to them.

CONSULTANTS AND ADVISERS

§ 0.735-220 Advice on rules of conduct and conflicts of interest statutes.

If a special Government employee who is a consultant, expert, or an adviser has doubt as to the ethics of any conduct falling within the Standards of Conduct and conflicts of interest statutes, he or she should confer with the Ethics Counselor or a Deputy Counselor.

§ 0.735-221 Industry, labor, agricultural and other representatives.

There are situations where an adviser or member of an advisory committee may be providing advice as a representative of an outside group and not as an employee or special Government employee of the Department. Such questions normally arise with respect to members of advisory committees within the departments. Some advisory committees are clearly composed of representatives of industries. The Attorney General has ruled that the Advisory Group to the Commissioner of Internal Revenue is composed of persons serving in a representative capacity. Bureaus or offices using advisory committees may seek the advice of the Ethics Counselor or a Deputy Counselor to determine whether members of any given advisory committee are serving in a representative capacity and not as employees of the Department. Persons serving in a representative capacity are not subject to the conflict of interest laws, and are not required to file statements of employment and financial interest, but they should nonetheless be guided by the considerations in this part covering such points as use of inside information, abuse of office, and gifts.

PROCEDURES TO BE FOLLOWED IN THE DEPARTMENT

§ 0.735-230 Information and assistance to special Government employees and their supervisors.

Each special Government employee appointed in the Department and each supervisor of a special Government employee will be given a copy of this part and will be required to familiarize himself or herself with the conflict of interest laws and the provisions of the instructions applicable to him or her. If a special Government employee or prospective special Government employee or a supervisor desires assistance in interpreting the instructions or laws, he or she will be referred to the Ethics Counselor or a Deputy Counselor.

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§ 0.735-231 Disclosure of financial interests.

(a) In order to carry out the responsibility to avoid the use of the services of special Government employees in situations in which violations of the conflict of interest laws or of the regulations in this part may occur, each special Government employee will, at the time of initial employment and each reappointment thereto, be required to supply a statement of—

(1) All other employment and

(2) The financial interests of the special Government employee which the head of the bureau or office in which he or she serves determines are relevant in light of the duties he or she is to perform, including, but not limited to, the name of companies in which he or she has a financial interest, and the nature of such financial interest. Each statement of financial interests will be forwarded to the Deputy General Counsel through the Advisory Committee on Ethical Standards along with a statement of the duties which the proposed special Government employee will be assigned.

(b) The supervisor of the special Government employee should review the statement of employment and financial interests in relationship to the duties to be performed and initially determine that no conflict of interest exists prior to submission of the material to the Advisory Committee. Such statements must be kept current during the period the special Government employee is on the Government rolls. Changes in or additions to the information contained in an employee's statement of employment and financial interest must be promptly reported by the filing of an amended statement. Such changes would include the undertaking of new employment or the acquisition of new financial interest.

(c) The Department official or bureau head appointing a member of an advisory board or committee to serve in an individual rather than a representative capacity may:

(1) Waive disclosure of financial information when he or she considers that such information is not relevant to the advisory duties of the board or committee, or

(2) Waive disclosure of financial information except that which is relevant to the advisory duties of such board or committee.

Such waiver or partial waiver is for the convenience of the Department and shall in no instance be considered a substitute for the exemption procedures described in § 0.735-212, "Applicability of 18 U.S.C. 208" in this subpart. If the official or bureau head elects to waive or partially waive disclosure of information as described in this paragraph rather than obtain complete disclosure of financial information, he or she must report in writing to the Designated Agency Ethics Official the names of the persons to whom waivers were granted and the specific reasons for the waivers. In cases of doubt as to which of these actions is appropriate, he or she should obtain advice from the Designated Agency Ethics Official.

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§ 0.735-232 Service with other Federal agencies.

If a special Government employee is serving in other Federal agencies, he or she will be required to inform the Department and each of the agencies of his or her arrangements with the others so that appropriate administrative measures may be effected. Information of service with other Federal agencies will be submitted along with the statement of employment and financial interests and must be kept current while employed with the Department.

§ 0.735-233 Resolution of cases involving a conflict or apparent conflict of interest.

When a situation arises which indicates a conflict of interest or apparent conflict of interest and the matter is not resolved, information about the situation will be reported to the Ethics Counselor, who in turn, will report to the Secretary. In any such situation, the special Government employee shall be provided an opportunity to explain the conflict or appearance of conflict.

§ 0.735-234 Legal interpretation.

Whenever the Ethics Counselor believes that a substantial legal question is raised by the employment of a particular special Government employee, the Ethics Counselor will advise the Office of Government Ethics in order to insure a consistent and authoritative interpretation of the law.

§ 0.735-235 Safeguarding of information.

(a) Statements of employment and financial interests, and supplementary statements shall be held in confidence. To ensure this confidentiality, bureaus and offices shall designate which employees are authorized to review and retain the statements. Employees so designated are responsible for maintaining the statements in confidence and shall not allow access to, or allow information to be disclosed from, a statement except to carry out the purpose of this part.

(b) Criminal penalties may be imposed on an employee who willingly and knowingly discloses to an unauthorized person prohibited information under the Privacy Act. See § 0.735-61.

(c) The unauthorized disclosure of employees' confidential statements may be the basis for civil action against the Department under the Privacy Act. See U.S.C. 552a(g)(1)(D).

Subpart F—Employees Stationed in Foreign Countries

GENERAL PROVISIONS

§ 0.735-300 Purpose.

The General Provisions set forth in Subpart A of this part are applicable to all employees stationed in foreign countries. In addition, (a) regular employees stationed in foreign countries are

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responsible for adhering to the provisions of Subpart B of this part; (b) special Government employees are responsible for adhering to the provisions of Subpart E of this part; (c) this subpart sets forth additional rules and guidelines applicable to employees and special Government employees stationed in foreign countries.

§ 0.735-301 Policy.

Treasury employees and special Government employees on official duty in foreign countries are both representatives of the Department of the Treasury and the United States Government and guests of the country in which they serve. This subpart is intended simply to emphasize these points.

§ 0.735-302 General provisions governing conduct in foreign countries.

Treasury employees and special Government employees should familiarize themselves with the Standards of Conduct for State Department personnel overseas and be guided accordingly. The most important provisions regarding conduct, not otherwise covered in this subpart, are contained in §§ 0.735-310-0.735-316. Since application of the standards may vary slightly in different countries due to local differences, Treasury employees should look to the State Department or the U.S. Embassy for the country in which service is being performed for guidance, interpretation and assistance.

ADDITIONAL RULES OF CONDUCT

§ 0.735-310 Basic rule of conduct.

Treasury employees and special Government employees are obligated to obey the laws of the country in which they are assigned and to observe the rules of moral and courteous conduct in their official and personal lives.

§ 0.735-311 Applicability to American employees.

Each head of a Treasury organization overseas shall ensure that all employees and special Government employees under his or her jurisdiction have read and are familiar with the provisions of this part.

§ 0.735-312 Applicability to members of families.

Restrictions placed on Treasury employees and special Government employees with respect to speeches, interviews and participation in activities abroad also shall apply to those members of the family of the employee and special Government employee who normally reside with him or her and are dependent on him or her. An employee or special Government employee shall be held to strict accountability for the actions of his or her family. Members of an employee's or special Government employee's family shall avoid expressing views which are unfriendly to or

critical of the United States or the host country, its Government, institutions, or people, either to or in the presence of persons of a foreign nationality. They shall, in addition, refrain from engaging in, or associating closely with, groups of people or organizations engaged in activities which are inimical to or embarrassing to the Government of the United States.

§ 0.735-313 Expression of thoughts and views.

Employees and special Government employees shall not allude in public speeches and newspaper interviews to disputes between governments or to active political issues in the United States or elsewhere, except with the authorization of the Department.

§ 0.735-314 Political activities.

Treasury employees and special Government employees shall not engage in any form of political activity in the country to which they are assigned. (This restriction does not apply to alien spouses who may continue to vote in their own countries.)

§ 0.735-315 Acceptance of employment by a member of a family.

Members of the family of Treasury employee or special Government employee overseas shall not transact or be interested in any business or engage for profit in any professions in the country to which the employee or special Government employee is assigned without the approval of the bureau concerned. However, if the bureau so determines, no approval is required for such employment by the U.S. Government.

§ 0.735-316 Sale of personal automobiles and other personal property.

The following provisions apply to all American employees and special Government employees regardless of agency, attached to United States embassies and constituent posts:

(a) The importation, sale or export of personal property including automobiles of American employees and special Government employees and their dependents must be in accordance with the laws, regulations and conventions of the host country.

(b) Personal property, including motor vehicles, brought to posts abroad by American employees and special Government employees must be for their bona fide personal use or that of their dependents, and not with intent of sale or transfer.

(c) Automobiles purchased for shipment to new posts of assignments should be unostentatious in appearance and modestly equipped.

(d) The employee or special Government employee will not be permitted to sell the employee's personal property, including motor vehicles, at an amount in excess of the price the employee paid for it plus any taxes and customs duty paid by the employee, or for any valuable consider-

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ation in excess of the total of these amounts. However, an employee need not sell personal property, including motor vehicles; it may be exported at the employee's or U.S. Government expense, under pertinent travel or shipping regulations. The employee must export it if required to do so by local law, local government regulation, or rules established by the ambassador.

(e) Full responsibility rests with the ambassador for controlling the importation and sale of personal property by all American employees or special Government employees attached to the embassy or constituent posts. He or she will issue and ensure compliance with local regulations consistent with policy prescribed herein and with other applicable regulations.

(f) Since conditions surrounding the importation and sale of personal property, including motor vehicles, vary widely country by country, Treasury must rely on the ambassador to issue detailed local regulations and procedures tailored to meet unique local situations. In issuing such local regulations and procedures consideration should be given to the following alternatives among others available to the ambassador. The ambassador may:

(1) Limit or prohibit importation of certain kinds of personal property. (For example, he or she may limit the number or frequency of motor vehicles imported.)

(2) Limit classes of persons to whom sales may be made. (For example, he or she may arrange for

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personal property sales to the host government, or to the U.S. Mission's commissary or employee association for use or rental by it.)

(3) Limit the conversion of currency realized from the sale of personal property.

(4) Require the exportation of personal property at Government or the employee's or special Government employee's expense under applicable travel or shipping regulations.

ADVICE AND COUNSELING

§ 0.735-320 Responsibility for guidance and assistance.

Supervisors in charge of Treasury activities overseas are responsible for providing guidance and assistance to their employees and special Government employees regarding conduct in such overseas activities. In the event the supervisor in the overseas location needs assistance and guidance or interpretation, he or she should first look to the State Department representative in the overseas country. If that is not possible or if he or she needs further assistance, he or she should contact his or her bureau head. Bureaus may refer questions on the regulations in this part to the Ethics Counselor who will confer with the State Department where necessary to assure uniformity of interpretation and application of this Subpart to employees stationed in foreign countries.